

Accounting-Financial

Subject: Tax Refunds - Motor Fuel Purchases

Information:

Governmental public transportation providers are exempt from paying gas tax. Currently, on a gallon of regular gas there is federal excise tax of 18.4 cents, state gas tax of 19 cents, and state sales tax of 6%. In the event these taxes have been paid on gasoline purchases, a refund should be obtained.

1. Federal excise tax paid per gallon of fuel is refundable; eligibility can go back three years. Complete IRS claim form 8849. For a copy of the form go to <http://www.irs.gov/pub/irs-pdf/f8849.pdf>. The IRS also suggests that the following publications may be helpful in completing form 8849:

Pub. 510, Excise Taxes for 2005
Pub. 378, Fuel Tax Credits and Refunds

You may also call the business and specialty tax line at 1-800-829-4933 with your excise tax questions.

2. State gas tax (or State excise tax) is paid per gallon of fuel and is refundable. Refund claims must be filed within 18 months of the fuel purchase. For more information and to request a claim form go to: www.michigan.gov/treasury/0,1607,7-121-1750_2143_2153-5952--,00.html, or you can contact the Michigan Department of Treasury, Customer Contact – Special Taxes, Lansing, MI 48922, or e-mail the department of Treasury at TreasMFD@state.mi.us.
3. Sales tax - for purchases in which sales tax was paid to a private vendor, the tax can only be obtained from that specific private vendor. The governmental public transportation provider will need to request that the sales tax be refunded by that vendor. (The vendor can file a form with the Michigan Department of Treasury for refund of sales tax.)
4. Sales tax - for purchases in which sales tax was paid directly to the Michigan Department of Treasury, write the Michigan Department of Treasury, Sales Tax Division, with sales receipts and proof of payment, requesting a sales tax refund (eligibility can go back four years in time).

Actions Needed:

- A. Apply for motor fuel tax refund as described above.
- B. Any refunds obtained that reduce the expense must be backed out on the operating

assistance report as ineligible under 55008 Other Ineligible Expenses and identified in the comment field.

Contact: If you have any questions on this procedure, contact your PTD Project Manager.

Approved: Shawn Edgar 8/15/06
Division Administrator Date